

## Trump's First Week

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Stocks marched higher for another week, driven by optimism about President Donald Trump's proposed policy changes to lower corporate taxes and decrease regulation. Meanwhile, the much-feared tariffs weren't signed, despite a flurry of executive orders.

The S&P 500 advanced 1.74% this week, putting its gains for the year at 3.73%. But the start to 2025 has been volatile, with most of the rally taking place over the past two weeks.

Fundstrat Head of Research Tom Lee says the next week will be especially crucial to watch. If stocks can hold onto those gains to finish higher in January, historical data show that the rest of the year tends to be positive for the market, he added. That trend is known as the January Barometer.

"It would again strengthen the case that markets are gonna be up double digits this year," Lee said. "The markets look stronger than we expected, which is good, and sentiment really broke down, which is another positive."

The best news this week was that there was no action from Trump about tariffs. "People were fearing the tariffs would hit, but it looks like those may be either softer or delayed or not as high a priority, but in either case, that's a positive," Lee said.

Head of Technical Strategy Mark Newton is of the same opinion, adding that "investors overestimated the degree with which we would see broad-based tariffs." Newton shared that in the last few trading days, 11 of the 16 major currencies have actually rallied against the greenback. Our Chart of the Week has more details:

"Everybody was fearful, and now that fear is turning into optimism," Newton added.



 Live Webinar and Q&A

# Mark Newton's Live Technical Analysis

February 4, 2025 @ 2pm ET



Mark Newton, CMT  
Head of Technical Strategy



## Chart of the Week

Fundstrat Head of Research Tom Lee believes inflation is slowing down. The most recent evidence was offered by the new tenant rent index, released by the Bureau of Labor Statistics, which showed that market-based rent prices in the fourth quarter fell in the negative from a year ago. That offers a more promising picture on the shelter inflation front compared to the one in the consumer-price index, which Lee said has lagged because it is more statistically smoothed based on existing rents.

## Recent Flash Insights



**Mark L. Newton, CMT<sub>AC</sub>**  
[Head of Technical Strategy](#)

Industrials is gaining ground today, but the equal-weighted Industrials ETF ( **RGI** ) is up only around +0.50%, far less than the Cap-weighted Industrials ETF ( **XLI**  $\downarrow$ -0.42% ) as **GE**  $\downarrow$ -2.02% and **UNP**  $\uparrow$ 0.29% , not to mention **CAT**  $\uparrow$ 0.30% and **DE**  $\uparrow$ 0.85% are leading gains. As shown by the Equal-weighted version of Industrials, this sector’s underperformance since November has run its course, and has now begun to turn up sharply. this remains one of the best technical sectors in the US stock market at present, and it’s right to be overweight Industrials.



Jan 23 • 2:07 PM



**Mark L. Newton, CMT<sub>AC</sub>**  
Head of Technical Strategy

Crude oil started to stabilize directly after Trump’s request for OPEC+ to lower prices today in his Davos speech. While this eventually should happen, prices are near initial technical support on this decline and very well could make another stab at the highs before beginning a pullback to \$50 or lower. Two issues are present from a non-technical standpoint: 1) Immediately complying with Trump is not something they would likely agree to in order to restore

surplus which would bring back supply too quickly 2) According to the IMF, Saudi Arabia needs Brent Crude at \$90 or higher to balance its budget. Thus something that requires OPEC+ to shift gears might not be something they have the incentive to do, even if the capacity is there. From an Elliott standpoint, a move back to new temporary highs looks initially likely before this starts to weaken. If one measures a Fibonacci retracement grid on the low to high range for WTI Crude since the December bottom, today's pullback hit the 50% retracement level before starting to rebound. Technically I suspect that the ability to recapture \$77.50 should set the spotlight on last July's highs near \$84.50 which would be a much better area to consider fading the bounce in Crude.

Jan 23 • 1:19 PM



**Mark L. Newton, CMT<sub>AC</sub>**

Head of Technical Strategy

While most are concentrating on the huge push back to AI and Mag 7, there has been some notable underperformance in DJIA, Equal-weighted SPX and also IWM vs. NDX today, and one can see IWM is right up against Ichimoku Cloud resistance, not dissimilar from RSP and DJIA. SPX to its credit is challenging all-time highs, but would be beneficial to see some broader-based rally and for today, Equal-weighted **RSP ▼-0.13%** is down on the day.

**IWM ▼-0.31%**, shown below, should face resistance, pull back over the next week and then turn back higher towards late Nov highs



Jan 22 • 12:56 PM

### FSI Video: Weekly Highlight



## Key incoming data

- ~~1/2 9:45 AM ET: Dec F S&P Global Manufacturing PMI~~ **Tame**
- ~~1/3 10:00 AM ET: Dec ISM Manufacturing PMI~~ **Tame**
- ~~1/6 9:45 AM ET: Dec F S&P Global Services PMI~~ **Tame**
- ~~1/6 10:00 AM ET: Nov F Durable Goods Orders~~ **Tame**
- ~~1/7 8:30 AM ET: Nov Trade Balance~~ **Tame**
- ~~1/7 10:00 AM ET: Dec ISM Services PMI~~ **Tame**
- ~~1/7 10:00 AM ET: Nov JOLTS Job Openings~~ **Tame**
- ~~1/8 9:00 AM ET: Dec F Manheim Used vehicle index~~ **Tame**
- ~~1/8 2:00 PM ET: Dec FOMC Meeting Minutes~~ **Tame**
- ~~1/10 8:30 AM ET: Dec Non-Farm Payrolls~~ **Hot**
- ~~1/10 10:00 AM ET: Jan P U. Mich. Sentiment and Inflation Expectation~~ **Hot**
- ~~1/13 11:00 AM ET: Dec NY Fed 1yr Inf Exp~~ **Tame**
- ~~1/14 6:00 AM ET: Dec Small Business Optimism Survey~~ **Tame**
- ~~1/14 8:30 AM ET: Dec PPI~~ **Tame**
- ~~1/15 8:30 AM ET: Dec CPI~~ **Tame**
- ~~1/15 8:30 AM ET: Jan Empire Manufacturing Survey~~ **Tame**
- ~~1/15 2:00 PM ET: Jan Fed Releases Beige Book~~ **Tame**
- ~~1/16 8:30 AM ET: Dec Retail Sales Data~~ **Tame**
- ~~1/16 8:30 AM ET: Jan Philly Fed Business Outlook~~ **Mixed**
- ~~1/16 10:00 AM ET: Jan NAHB Housing Market Index~~ **Tame**
- ~~1/17 9:00 AM ET: Jan M Manheim Used vehicle index~~ **Tame**
- ~~1/17 4:00 PM ET: Nov Net TIC Flows~~ **Tame**
- ~~1/24 9:45 AM ET: Jan P S&P Global Manufacturing PMI~~ **Tame**



- ~~1/24 9:45 AM ET: Jan P S&P Global Services PMI~~ **Tame**
- ~~1/24 10:00 AM ET: Jan F U. Mich. Sentiment and Inflation Expectation~~ **Hot**
- ~~1/24 10:00 AM ET: Dec Existing Home Sales~~ **Tame**
- 1/27 8:30 AM ET: Dec Chicago Fed Nat Activity Index
- 1/27 10:00 AM ET: Dec New Home Sales
- 1/27 10:30 AM ET: Jan Dallas Fed Manuf. Activity Survey
- 1/28 9:00 AM ET: Nov S&P CoreLogic CS home price
- 1/28 10:00 AM ET: Jan Conference Board Consumer Confidence
- 1/28 10:00 AM ET: Dec P Durable Goods Orders
- 1/29 2:00 PM ET: Jan FOMC Decision
- 1/30 8:30 AM ET: 4Q A 2024 GDP
- 1/31 8:30 AM ET: Dec PCE Deflator
- 1/31 8:30 AM ET: 4Q Employment Cost Index

 **Live Webinar and Member Q&A**

# Market Update & Top Ideas

[Watch Replay Now](#)



**Tom Lee, CFA**  
Head of Research



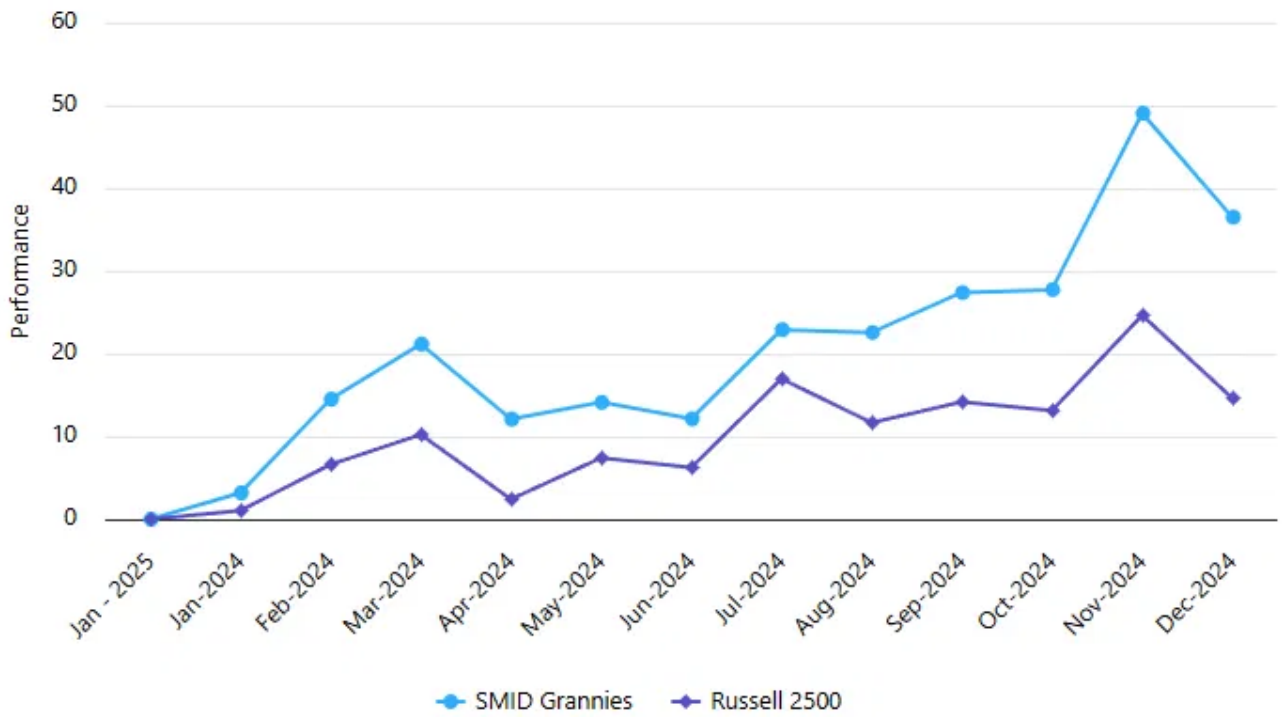
**Mark Newton, CMT**  
Head of Technical Strategy





## Stock List Performance

### Year to Date SMID Granny Shots Performance

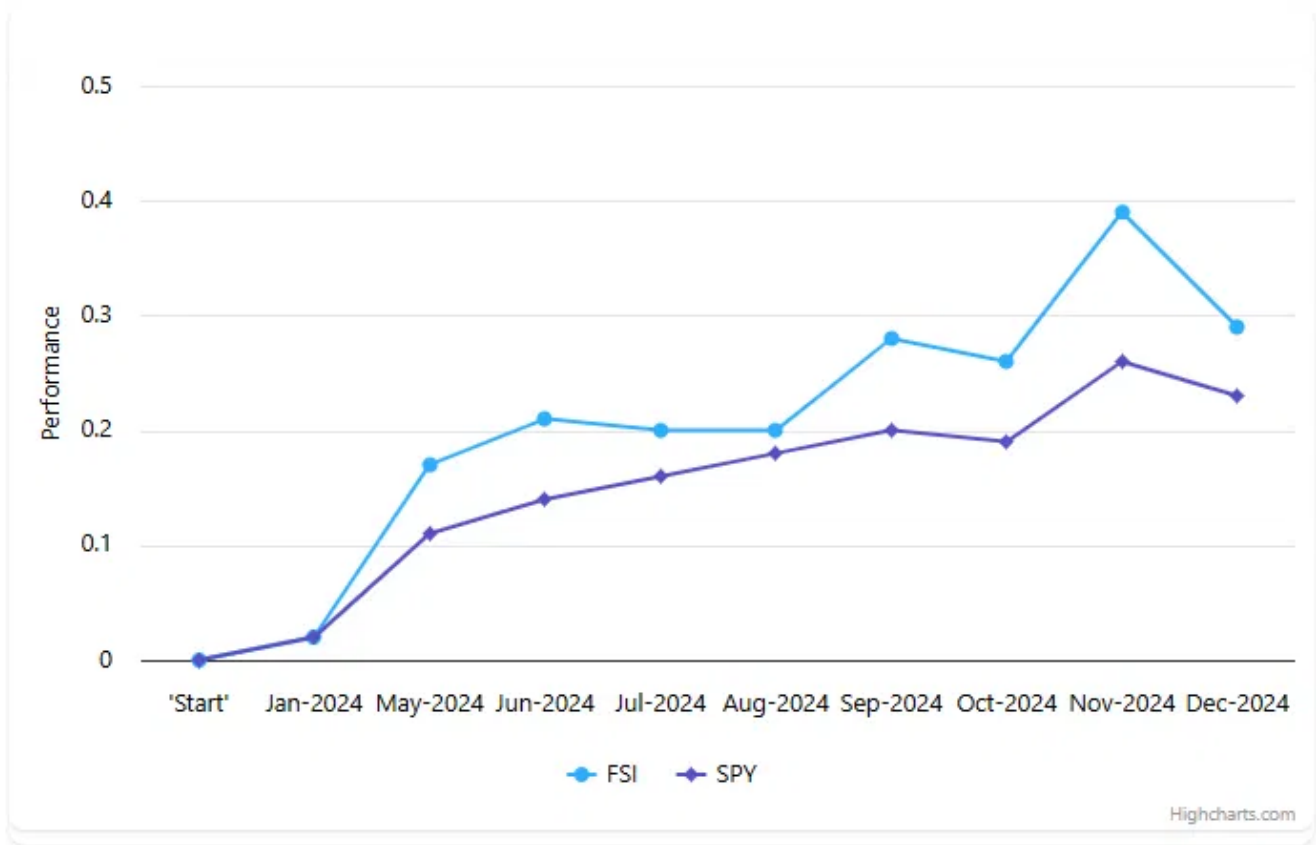


Highcharts.com

Performance period: January 01, 2025 through January 21, 2025

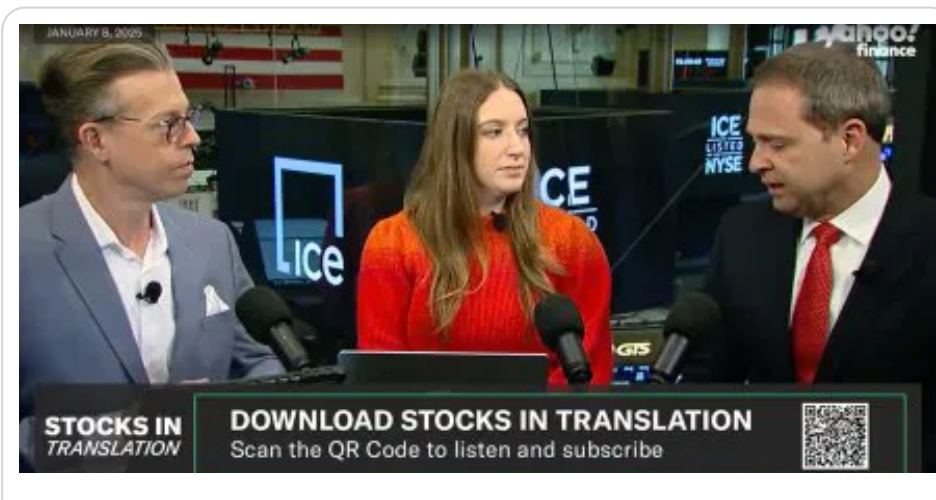


### Upticks Against the SPY ( Year to Date )



Performance period: January 01, 2025 through January 15, 2025

### In the News



What is mean reversion and how to use it

Jan 16, 2025



Long-term market trends remain in very good shape, says Fundstrat's Mark Newton

Jan 16, 2025





Inflation is setting up for some good comps, says  
Fundstrat's Tom Lee

Jan 15, 2025



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